DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mail Stop S2-14-26 Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations Disabled and Elderly Health Programs Group Division of Integrated Health Systems

August 13, 2003

Helene Nelson, Secretary Department of Health and Family Services 1 West Wilson Street P.O. Box7850 Madison, Wisconsin 53707-7850

Dear Ms Nelson:

We are pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving your August 4, 2003, request to amend the Wisconsin Family Care 1915(b/c) waiver program to become compliant with the new Medicaid Managed Care (MMC) Regulations effective August 13, 2003. Please note that all requirements in the previous waiver approval letter still remain in effect and are unchanged by this amendment.

The CMS would like to remind the State that the new 1915(b) cost effectiveness test will be required for subsequent renewals or amendments of this waiver. Therefore, the State should ensure that it has begun reporting expenditures on the CMS-64 no later than the quarter ending September 30, 2003. The CMS Central Office and Regional Office staff are available to provide technical assistance in this area should you need it.

Our records indicate that the authority to operate Wisconsin Family Care 1915(b) waiver will expire on December 31, 2003. Please submit your renewal package no later than October 3, 2003, in order to allow us sufficient time to review the request and make a determination prior to the waiver authority's expiration.

If you have any questions, please contact John Young at the CMS Central Office at (410) 786-0505, or Pam Carson at CMS Regional Office at (312) 353-0108. We wish you continued success in the operation of your Medicaid programs in Wisconsin.

Sincerely,

/s/

Theresa A. Pratt Director

cc: Charles Jones, Wisconsin Family Care Terri Fey, CMS Regional Office Pamela Carson, CMS Regional Office John Young, CMS Central Office Peggy Clark, CMS Central Office